


Date: July 25, 2008

To: Audit and Finance Committee

From: Gary Ray, City Auditor 

Subject: Police Records – Fee Collection Process
Audit Follow-up

Cc: George Gascon, Police Chief
Mike Dvorak, Assistant Police Chief – Support Services
Shirl Butler, Police Technical Services Division Administrator
Connie Gailfus, Police Records Supervisor
Barbara Carney, Police Records Supervisor

Pursuant to the City Auditor's practice of conducting audit follow-up reviews 9-12 months after issuing an audit report we have completed a follow-up review of the Police Records Fee Collection Process.

The purpose of this letter is to transmit the report to the Audit and Finance Committee.

We would like to thank the Police Department management and staff for their cooperation, professionalism, and assistance throughout the audit process.

If you have any questions please feel free to contact me at x3210 or Jerry Faccone at x2403.

Date: June 17, 2008

To: Audit and Finance Committee

From: Gary Ray, City Auditor

Subject: **Police Records – Fee Collection Process
Audit Follow-up**

Cc: George Gascon, Police Chief
Mike Dvorak, Assistant Police Chief – Support Services
Shirl Butler, Police Technical Services Division Administrator
Connie Gailfus, Police Records Supervisor
Barbara Carney, Police Records Supervisor

On August 16, 2007, we issued our Final Audit Report with two Corrective Action Plans for the audit of the Police Records Fee Collection Process for the period of February through March 2007. The Corrective Action Plans detailed the findings and recommendations resulting from our examination. In accordance with our practice of conducting follow-up reviews 9-12 months after issuing an audit report, we recently performed a brief review to determine if agreed to changes have been implemented. The following are our comments on the Corrective Action Plans:

Corrective Action Plan #1 – Check Endorsement

This Corrective Action Plan addressed the failure of a cashier to endorse a check for \$150 at the cash register used for the collection of administrative fees for vehicle impounds. On the day selected for the testing of the reconciliation of revenues, this was the only check received at this register. This was a new cash register for the Police Department's recently created vehicle impound change fund, resulting from a State of Arizona Statute allowing the establishment of a thirty-day vehicle impound administrative fee. The register did not have an endorsement stamp.

The City's Management Policy on cash handling procedures requires that checks received for payment be restrictively endorsed upon receipt. This action helps avoid the possible misuse or misappropriation of funds. We recommended that an endorsement stamp be ordered for this cash register and, in the meantime, the stamp from the nearby public counter register be used immediately when a check is received. This was agreed to by the Mesa Police Department.

The recommendations have been put into practice. Our recent review of the process revealed that all Police Department cash register stations have endorsement stamps and all checks are being endorsed upon receipt.

Corrective Action Plan #2 – Voided Transactions

The majority of voided cash register transactions reviewed had a correcting transaction on the register tape along with adequate supporting documentation. Audit testing revealed, however, three voided transactions with no explanations. These totaled \$165, consisting of two police record fees of \$10 and \$5, and a vehicle impound fee of \$150. The situation was discussed with Police Records personnel who did not recall specific reasons for the voids but believed they were keypunch errors.

The City's Management Policy on cash handling procedures requires that voids be appropriately documented and approved. This helps to safeguard revenues. We recommended that all voids be adequately explained in writing. The cashier should include initials and employee number with the explanation for the void and present the documentation to a supervisor for approval. This was agreed to by the Mesa Police Department.

The recommendations have been put into operation. Our recent review revealed that cashiers are providing written explanations for voids and they are being approved and signed by a supervisor.

Conclusion

The Police Department has properly implemented the recommendations from our audit of the Police Records Fee Collection Process. We commend department personnel for their actions that have reduced the risks associated with the collection of Police revenues.